

OLL #
84-1236

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Overseas Allowances and

Fed Pers

FROM:

SSA/DDA
7D18, Hqs

EXTENSION

NO.

DATE

26 March 1984

STAT

TO: (Officer designation, room
building)

DATE

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OFFICER'S
INITIALSCOMMENTS (Number each comment to show from whom
to whom. Draw a line across column after each comment.)

STAT

1. C/LD/OLL
7B24, Hqs
Attn: [redacted]

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United States Department of State

Assistant Secretary of State
for Administration

Washington, D. C. 20520

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[Redacted]
Special Support Assistant
Directorate for Administration
Central Intelligence Agency
Headquarters
Room 7D10
Washington, D.C. 20505

Dear [Redacted]

STAT

The Inter-Agency Committee on Overseas Allowances and Benefits for U.S. Employees was formed several years ago at the Assistant Secretary of Administration level to review and update the overseas benefits program following lengthy reviews by the GAO and the OMB. The work of the Inter-Agency Committee proved to be beneficial to all the participants involved and, I believe, resulted in a stronger allowance program.

Since that time, the Foreign Service Act of 1980, which also amended sections of title 5 of the U.S. Code, has given us a number of new or modified allowances and benefits. With two to three years of experience with the new provisions behind us, we are now in a better position to judge the effectiveness of the benefits and of our implementation procedures. I feel that now would be an appropriate time to call an inter-agency meeting to discuss with you the current program and receive your comments and suggestions concerning the way we are administering your overseas allowances and benefits program.

For your information, the Senate Foreign Relations Committee plans to review the overseas allowances and benefits program. As we understand that the Senate may hold hearings on the program, I would like to give you the latest information on this development and ask for your views on the program's effect on your employees overseas. We need to be able to present a complete picture on the full range and coverage of this program.

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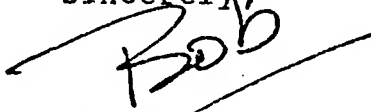
I have scheduled this meeting for Friday, April 6th from 10:00 to 12:00 A.M. in Room 6320 at Main State. Please enter through the "C" Street (Diplomatic) entrance with your official agency identification badge. A member of my staff will be at this entrance to clear and give you directions to the conference room.

Would your office please let Joanne De Concini (telephone 235-9466) know if you will be able to attend or the name of the person from your organization who will be attending in your absence.

I am enclosing a recent revision of the "Summary of Overseas Allowances and Benefits". We have found that this publication is useful as an introduction and summary of the allowances and benefits available to employees assigned abroad.

I look forward to seeing you on April 6th.

Sincerely,



Robert E. Lamb

Enclosure:

As stated

SUMMARY OF OVERSEAS ALLOWANCES AND BENEFITS FOR
U.S. GOVERNMENT CIVILIAN EMPLOYEES UNDER
THE STANDARDIZED REGULATIONS (GOVERNMENT CIVILIANS, FOREIGN AREAS)

Federal civilian employees working in foreign areas receive a number of allowances and benefits under the U.S. Department of State Standardized Regulations (Government Civilians, Foreign Areas). Most of these benefits are available to Federal civilian employees of all agencies serving abroad. Major exceptions are described in this publication. The basic legislation standardizing these benefits is 5 U.S.C. 5921-5928 (the Overseas Differentials and Allowances Act). Other applicable legislation includes the Foreign Service Act of 1980, 5 U.S.C. 5521-5527, 5701-5707, 5913 and PL 93-126. Authority to issue regulations governing the benefits described was delegated to the Secretary of State by E.O. 10903 of January 9, 1961; E.O. 10853 of November 27, 1959; E.O. 11294 of August 4, 1966; E.O. 10982 of December 25, 1961, E.O. 11779 of April 19, 1974 and E.O. 12292 of February 23, 1981. Legislative authorities are listed in Section 010 of the Standardized Regulations (Government Civilians, Foreign Areas). The authority of heads of agencies to issue such further implementing regulations as deemed necessary in regard to granting of and accounting for these allowances and benefits is described in Section 013 of the regulations.

In addition to the standardized allowances and benefits described in this publication, Federal employees abroad may be eligible for a number of benefits relating to travel, transportation of effects, medical care, home leave, holiday pay, retirement, unhealthful post credit, etc., as provided by different Federal laws and regulations.

Most of the allowances and benefits provided Federal civilian employees abroad are not subject to Federal income tax. The income tax status of overseas allowances and benefits is explained in publication 516 of the Internal Revenue Service entitled Tax Information for U.S. Government Civilian Employees Stationed Abroad. This publication is updated each tax year. The foreign post differentials, danger pay and special incentive differentials are subject to Federal income tax.

This publication lists the basic legislative authorities of each of the seventeen basic allowances and benefits available to Federal civilian employees transferred to foreign areas under the Standardized Regulations (Government Civilians, Foreign Areas). The principal features of each benefit are briefly described and, where appropriate, the methodology used to determine specific allowance rates is explained.

Allowances Staff
 U.S. Department of State
 Washington, D.C. 20520

October 1983

A Short Guide to the
Standardized Regulations (Government Civilians, Foreign Areas)

The Department of State's Standardized Regulations (Government Civilians, Foreign Areas), more easily identified as the "SR(GC,FA)" or the "DSSR," contain regulations for 17 major types of allowances or benefits. These allowances and benefits are generally available to civilian employees of all U.S. Government agencies in foreign areas. Major exceptions are described in this publication.

These Government-wide regulations receive wide distribution and use. Copies are available wherever allowance determinations for employees abroad must be made. This includes the personnel or administrative offices of most Federal agencies in the U.S. and abroad. These offices would also have copies of any pertinent agency implementing regulations. Employees seeking specific allowance information should obtain that information from those officials responsible for authorizing and approving allowances for the agency or duty station.

The SR(GC,FA) is about 200 pages long, including some 70 pages of allowance listings and payment tables. A beginning section provides general information which is followed by Chapters 100 thru 800 with separate sections covering each of the allowances and benefits. Chapter 900 explains how to read the allowance tables and listings established for some 700 foreign locations in section 920. In addition to explanations of the allowance listings and payment tables, Chapter 900 also contains information on the various reports required periodically from agencies to establish and review allowance levels. Section 925 lists the maximum travel per diem allowances for foreign areas established for all U.S. Government travelers. ((These travel per diem allowances are paid under agency travel regulations and not the SR(GC,FA).)) Sections 932 thru 943 contain the world-wide payment tables pertinent to the living quarters allowance, the post (cost of living) allowance, the supplementary post allowance, the foreign transfer allowance, the home service transfer allowance and the separate maintenance allowance.

The SR(GC,FA) is issued in loose-leaf manual form with some text and allowance rate revisions normally effective at the beginning of each biweekly pay period. Printed amendments to the SR(GC,FA) are issued every four weeks following advance notices to all agencies in the U.S. and posts abroad at the beginning of each new pay period. In view of the large number of agencies and personnel affected by the SR(GC,FA), questions about regulation amendments or current allowance rates should be directed to those officials in each agency responsible for the distribution of regulations or the interpretation and payment of these allowances.

The Allowances Staff of the U.S. Department of State has prepared this summary of allowances to assist employees in better understanding the scope and use of the SR(GC,FA). Suggestions for improvements or corrections should be forwarded to the Director of the Allowances Staff at the address shown on the cover page.

Summary of Overseas Allowances and Benefits for
U.S. Government Civilian Employees Under
The Standardized Regulations (Government Civilians, Foreign Areas)

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This publication is provided to assist civilian employees in better understanding the types of foreign allowances and benefits available under the Standardized Regulations (Government Civilians, Foreign Areas) and to provide a basic explanation of how the various types of allowance rates are derived. This publication should not, of course, be used as a substitute for the regulations.

- 1 -

ADVANCES OF PAY

Authority

Under Section 2310 of the Foreign Service Act of 1980, 5 U.S.C. 5927 and Executive Order 12292 "Up to three months' pay may be paid in advance to an employee upon the assignment of the employee to a post in a foreign area."

Principal Features

1. The relocation of a family from the U.S. to a foreign area places extraordinary financial burdens on the family during the period of preparation for the transfer and upon first arrival abroad. The availability of advance pay is intended to ease the transition and insure that funds are available to meet required expenses and emergencies.
2. Up to three months pay may be advanced to an employee at the time of transfer to a foreign post, either before departure or upon arrival at post. This advance pay may be used to purchase necessary consumables and other items which are necessary but which may not be readily available at the new duty station.
4. Advance pay is basic compensation and does not include other compensation or allowances or differentials. The amount of pay to be advanced, relative to mandatory deductions and voluntary allotments, is subject to individual agency regulations.
5. The length of time allowed in which the advance of pay is repaid to the U.S. Government is subject to agency regulation.
6. Advances of pay are recoverable by the Government from the employee or his/her estate by setoff against accrued pay, amounts of retirement credit, amounts due the employee from the Government or other such methods as provided by law.

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FOREIGN TRANSFER ALLOWANCEAuthority

Under 5 U.S.C. 5924 (2) and Executive Order 10903, the Secretary of State is authorized to grant to a United States citizen employee "a transfer allowance for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing himself at any post of assignment in a foreign area including costs incurred in the United States prior to departure for a post in a foreign area..."

Principal Features

The transfer allowance paid at the new foreign post upon transfer from the U.S., or from a post in a foreign area, is in two and sometimes three portions:

(1) The predeparture subsistence expense portion is applicable to costs incurred for temporary lodging, meals (including tips), laundry, dry cleaning and pressing for up to ten days after moving out of permanent quarters and before departure from a post in the United States to a post in a foreign area. The predeparture subsistence expense portion is granted on all transfers from the U.S. to a foreign area.

For the subsistence expense portion, the initial occupant of temporary quarters may receive up to the full per diem rate (including a high locality rate) in effect for the locality from which transferred. Each other occupant may receive up to two-thirds of the rate established for the first person. Receipts are required for lodging and laundry/dry cleaning, but not for food.

(2) The miscellaneous expense portion is intended to partially reimburse the employee for the additional expenses incurred because of changing residences, such as disconnecting and connecting or converting appliances, equipment and utilities; cutting and fitting rugs, drapes, curtains (not purchase of new items); utility fees not offset by eventual refunds; auto registrations, driver's licenses and similar fees; and personal cable and telephone costs attributable to the relocation exclusive of such costs intended to be reimbursed by travel per diem. The miscellaneous expense portion is granted on all transfers involving a foreign relocation.

For an employee without family a flat amount of \$350 or one week's salary (whichever is less) is payable without receipts. An employee with family may receive a flat payment of \$700 or two week's salary (whichever is less) without receipts. Claims above these flat amounts must be supported by receipts for the entire

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SEPARATE MAINTENANCE ALLOWANCEAuthority

Under 5 U.S.C. 5924 (3) and Sec. 2307 of the Foreign Service Act of 1980 and Executive Order 10903, the Secretary is authorized to grant "a separate maintenance allowance to assist an employee (United States citizen) who is compelled or authorized by reason of dangerous, notably unhealthful, or excessively adverse living conditions at the employee's post of assignment in a foreign area or for the convenience of the Government, or who requests such allowance because of special needs or hardship involving the employee or the employee's spouse or dependents to meet the additional expense of maintaining, elsewhere than at the post, the employee's spouse or dependents, or both."

Principal Features

1. Separate maintenance allowances (SMA) are paid only after determination by an agency that they are appropriate and on behalf of family members who would normally reside with the employee at the post of assignment abroad.
2. The separate maintenance allowance is payable when adverse conditions at the post compel an employee's family to live at another place, or when requested by employee and approved by an agency because of special family needs or hardship involving the employee or family members.
3. The separate maintenance allowance is intended to reimburse the employee for some of the added costs of maintaining a separate living establishment.
4. An employee is not eligible for allowances and benefits at the post of assignment on behalf of those family members for whom the separate maintenance allowance is paid.
5. An employee may change election of SMA status for dependents only under exceptional circumstances as defined in agency regulations.

Determination of Rates

The rates for separate maintenance allowances are based upon the additional costs of maintaining a spouse and/or family members in the United States while an employee is at a post abroad. The major expense considered is that of housing, plus certain other costs due to diseconomies of living apart. The rates vary by the number of dependents of the employee. Mandatory reductions in the SMA rates are required when housing and other benefits are furnished to dependents without charge by the Government at another foreign post. Individual posts are not classified for separate maintenance allowances. Each case is determined individually on its merits.

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TEMPORARY LODGING ALLOWANCEAuthority

Under 5 U.S.C. 5923 (1) and Executive Order 10903, the Secretary of State is authorized to grant to a United States citizen employee "a temporary lodging allowance for the reasonable cost of temporary quarters incurred by the employee and his family (A) for a period not in excess of three months after first arrival at a new post of assignment in a foreign area or a period ending with the occupation of residence quarters, whichever shall be shorter, and (B) for a period of not more than 1 month immediately before final departure from the post after the necessary evacuation of residence quarters."

Principal Features

1. Temporary lodging allowance can be used only within the first three months after first arrival at a post, and during the last month prior to departure.

2. Upon first arrival at a post, the temporary lodging allowance helps employees defray expenses of hotel rooms while locating residence quarters and awaiting arrival of furniture.

3. Preceding final departure, the temporary lodging allowance helps employees defray expenses of hotel rooms while awaiting transportation to leave the post after the necessary vacating of their residence quarters.

4. Reimbursement for temporary lodging covers actual costs of the hotel room within a prescribed maximum daily rate.

5. Amount of allowance varies by the number and ages of the employee's dependents occupying the temporary lodging. The maximum daily rate is available for the employee and each member of family 11 years of age or over. One-half the daily maximum rate is available for each dependent under 11 years of age.

6. Temporary lodging allowance is not paid concurrently with the living quarters allowance.

Determination of Rate

The maximum daily rate for temporary lodging is based upon the average cost of a single room and bath at suitable hotels, including service charges and any mandatory taxes. It does not include any reimbursement for costs of meals (see supplementary post allowance). The rate is determined by analysis of reports (Form DSP-23W) from posts on the cost of rooms at each type or grade of hotel suitable for occupancy by United States Government employees.

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LIVING QUARTERS ALLOWANCEAuthority

Under 5 U.S.C. 5923 (2) and Executive Order 10903, the Secretary of State is authorized to grant to a United States citizen employee, whenever free Government quarters are not provided, "...A living quarters allowance for rent, heat, light, fuel, gas, electricity, and water..."

Principal Features

1. Either a living quarters allowance (LQA) or free Government quarters are furnished to each American citizen civilian employee living in a foreign area by reason of his/her employment by the U.S. Government. Also, a limited housing supplement is paid to some employees assigned to the U.S. Mission to the United Nations who must live in the extraordinarily high rent area of New York City (PL 93-126).
2. Living quarters allowance payment is intended to cover the average costs of rent, heat, light and water. Generally, 60 to 70 percent of the employees of all agencies in private quarters at a foreign post are fully reimbursed for their housing costs.
3. The allowance is designed to be paid at an amount equal to employee's allowable expenditures within the applicable maximum rate.
4. The maximum rates vary by costs at the post, by employee grade level, and by family size. Higher ranking employees and those with larger families receive higher allowances than those with smaller families or single employees.
5. The living quarters allowance is not paid concurrently with the temporary lodging allowance. It is not paid if free Government quarters are available.
6. Payment of a living quarters allowance or free Government housing at all posts assists the Government by:
 - enabling employees to carry out official duties properly, regardless of housing shortages and related adverse local conditions;
 - assisting employees to appear locally representative of American standards of living, efficiency, and activity; and
 - providing the principal world-wide financial inducement to foreign service.

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7. The Living Quarters Allowance expenses are surveyed at least annually. The resulting allowance levels are adjusted every two weeks, as necessary, to reflect changes in the foreign currency exchange rate.

Determination of Rate

In determining the appropriate allowance rate for employees at a post, all available information is considered. This includes a thorough examination of quarters expenditures by all Government employees at the post; analysis of changes occurring in quarters expenditures since the last review, with special attention to the expenses of new arrivals; a comparison with standard data on the appropriate size of quarters which should be occupied by families; the amount of out-of-pocket expenditures by salary level and family size; the relationship between quarters allowance levels; and consideration of all other data available pertaining to housing at the post.

At large posts, the allowance set for each quarters group is approximately equal to the average expenditures of employees in the group, including new arrivals. Generally, about 60 to 70 percent of all employees of all agencies in private rentals at the post are fully reimbursed for their housing costs. At posts with only a few employees, it is not possible to obtain a meaningful average of expenditures, and more weight must be given to some of the other factors mentioned above. Quarters allowance increases are granted only after (1) a significant number of individuals have entered into private rental contracts which, with utility charges, total significantly more than the current allowance rate; and (2) analysis has shown that the housing involved is typical of that available at the post and that the size of quarters is appropriate for single persons and families of different sizes,

The living quarters allowance rates established by the Department of State, for the larger posts abroad, are published quarterly by the Bureau of Labor Statistics for use by business firms and the public interested in the cost of housing abroad. This publication is available from the Government Printing Office.

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POST ALLOWANCEAuthority

Under 5. U.S.C. 5924 (1) and Executive Order 10903, the Secretary of State has authority to grant to a United States citizen employee a post allowance to offset the difference between the cost of living at the post of assignment in a foreign area and the cost of living in Washington, D.C.

Principal Features

1. The post allowance is a cost of living allowance paid to American civilian employees assigned to a foreign post where the cost of living (excluding the cost of living quarters and schooling) is significantly higher than in Washington, D.C.
2. The post allowance represents the amount necessary to enable the employee at the post to purchase, with salary plus allowance, goods and services comparable to those the employee could purchase in the Washington, D.C. area with salary alone.
3. No post allowance is paid at any post where the cost of living does not exceed that in Washington, D.C. by as much as three percent.
4. Approximately two-thirds of the posts in foreign areas receive no post allowance.
5. The percentage by which living costs at the post exceed costs in Washington, D.C. is applied to "spendable income" to determine the post allowance. "Spendable income" is that part of salary remaining after average U.S. taxes, savings (including life insurance and retirement contribution), gifts and contributions and U.S. shelter costs are removed.
6. The post allowance is a flat payment received by the employee from the time of arrival at a high cost post until departure. The actual amount of post allowance received varies by salary level and family size but, because of the spendable income concept, the allowance received by a high salaried employee does not represent as high a percentage of base salary as that received by the lower paid employee.
7. The post allowance is reviewed annually based on a comparison of Retail Price Schedule reports (Form DSP-23) prepared for the foreign location and Washington, D.C. The resulting allowance level is adjusted every two weeks, as necessary, to reflect changes in the foreign currency exchange rates available to Americans abroad.

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Determination of Rate

The amount of post allowance is determined by the classification of the post. This classification is based upon an index of living costs (excluding quarters and education costs) for the post in comparison with costs in Washington, D.C. as 100. A post allowance index of 105, for example, means that living costs are 5% higher than in Washington, D.C. and the post would be at the class 5 post allowance level. The cost of living index results from a comparison of information reported in the Retail Price Schedules (Form DSP-23) for foreign posts and Washington, D.C. which contain retail prices of a prescribed list of goods and services carefully selected to indicate the general cost level.

Consideration is given to (a) the quantity of goods purchased and the prices paid on the local market or from commissaries where available, (b) goods shipped to the post at Government expense upon assignment, (c) articles imported at employee expense from the United States or other countries, and (d) goods and services provided by the U.S. Government at low or no cost. These latter items would include any Government-provided household furnishings, medical care, recreational facilities and the like. Adjustments are made to allow for necessity to use substitute articles for those that would normally be used in the United States; for example, the use of canned milk at posts where fresh milk is not considered safe for consumption by Americans, or the use of other types of meat where pork is not available. Adjustments are made also to allow for additional medical care at unhealthful posts, additional clothing for harsh climates and additional essential household help.

Price reports are received from each major post annually and similar price reports are received periodically from the Bureau of Labor Statistics for Washington, D.C. The basic expenditure pattern used in the index is that of an average Washington family, as developed from data published by the Bureau of Labor Statistics. When the adjustments and all prices have been taken into consideration, any post allowance resulting represents the amount necessary to enable the employee at the post to purchase, with salary plus post allowance, goods and services comparable to those the employee could purchase in Washington with salary alone. The cost of living survey results applicable to Government employees, along with separate comparisons for other Americans living abroad as developed by the Department of State, are published quarterly by the Bureau of Labor Statistics and are available to the public from the Government Printing Office.

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SUPPLEMENTARY POST ALLOWANCEAuthority

Under 5 U.S.C. 5924 (1) and (2), the Secretary of State is authorized to grant to a United States citizen employee an "...allowance for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing himself at a post of assignment in a foreign area..." and is authorized to grant an allowance to compensate an employee for any excess cost of living in a foreign area.

Principal Features

1. The supplementary post allowance is, as the name implies, a supplement to the post allowance payable to help offset part of the high cost of necessary restaurant meals which may be incurred on first arrival at a new post or upon final departure from a post.
2. The allowance is paid only when the employee and family members are compelled to occupy non-housekeeping quarters when:
 - (a) suitable housekeeping quarters are not available; and
 - (b) the employee faces heavy expenses because of the necessity for providing high-cost hotel or restaurant meals.
3. The period of payment is limited to the first three months after first arrival at the post and last month prior to departure.
4. Payments are fixed daily rates payable on behalf of employee and each dependent family member.
5. The allowance may be authorized only to cover extraordinary subsistence expenses. While in non-housekeeping quarters, the employee does not incur many of the normal expenses of operating a household, such as food for cooking at home, maintaining furnishings, etc., and this part of salary available for meal expenses must be considered before any allowance is payable.

Determination of Rate

Since a portion of the regular post allowance (payable from date of arrival) is available for food costs, rates of payment are inversely proportional to the regular post allowance. Rates are directly proportional to travel per diem rates which, although not payable after arrival at the post, reflect restaurant meal costs.

Supplementary post allowance payments may be authorized up to fixed maximum dollar amounts based on the travel per diem rate and post allowance level for the individual post of assignment.

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EDUCATION ALLOWANCE
AND
EDUCATIONAL TRAVEL

Authority

Under 5 U.S.C. 5924 (4) and Executive Order 10903, the Secretary of State is authorized to grant to a United States citizen employee "an education allowance or payment of travel costs to assist an employee with the extraordinary and necessary expenses, not otherwise compensated for, incurred because of his service in a foreign area or foreign areas in providing adequate education for his dependents as follows:

"(A) An Allowance not to exceed the cost of obtaining such kindergarten, elementary and secondary educational services as are ordinarily provided without charge by the public schools in the United States, plus, in those cases when adequate schools are not available at the post of the employee, board and room, and periodic transportation between that post and the nearest locality where adequate schools are available, without regard to Section 529 of title 31. The amount of the allowance granted shall be determined on the basis of the educational facility used."

"(B) The travel expenses of dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education, not to exceed one annual trip each way for each dependent for the purpose of obtaining each type of education. An allowance payment under subparagraph (A) of this paragraph (4) may not be made for a dependent during the 12 months following his arrival in the United States for secondary education under authority contained in this subparagraph (B)..."

Principal Features

1. Education allowances for grades kindergarten through 12 are granted only at those posts where the cost of adequate schooling is in excess of the cost that would be incurred for a dependent in a U.S. public school.

2. If adequate schools are available at the post, no higher allowance is established for attendance at a school located away from the post.

3. If a U.S. Government-operated school is available at a post, no education allowance may be paid for a child to attend any other school in a foreign country, unless special circumstances of health or distance prevent attendance. The allowance may be paid if the child is attending a school in the United States, and no travel grant has been made for educational purposes.

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4. With the exception of the preceding condition, parents are free to send their child to the school of their choice and receive any education allowance provided up to the established maximum for the post.

5. If the employee chooses to use correspondence courses as a means of educating his/her child where local schools are inadequate, he/she may be reimbursed for the cost of such courses not exceeding an established rate for this type of educational facility.

6. The allowances established vary by school grade at most posts. The allowances can be paid at a flat rate regardless of the school attended. However, an administrative officer is required to lower the payment whenever he/she determines that an employee's costs justify a reduction, based on mandatory inspection of receipts during the school year.

7. Education allowances are payable in lump sums, as needed by employee, and the grants are adjusted when required by various circumstances.

8. When a dependent has arrived in the United States under the educational travel authority, the employee may not receive an education allowance on behalf of that dependent for the twelve months immediately following such travel, nor for as long as the child continues to be educated in the United States.

9. Educational travel at the undergraduate college level is for travel costs of one round trip annually between the post and the college or university in the United States up to the 23rd birthday. (There is no education allowance for college.) A similar trip is available for high school (grades 9-12) in lieu of an education allowance.

Determination of Rates

In general, the maximum rates for education allowances are based upon the lowest cost adequate school at the post. A school is considered adequate if a child who has successfully completed a given grade at that school will be accepted in the next higher grade in U.S. public schools. If the school at the post is adequate except for a minor deficiency in the curriculum that can be corrected through use of a correspondence course or tutoring concurrently with attendance at the school, the allowance is increased to cover the cost of the correspondence course. Wherever there is no adequate school at the post for a given grade, an allowance is established to cover the costs of tuition, room and board and periodic transportation between the post and the nearest locality where an adequate school is available.

The education allowance is not authorized by the Department of Defense. Education for dependents of DOD civilian employees is provided by DOD schools or by arrangement through the DOD Dependents School System. Educational travel is available to DOD employees.

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POST DIFFERENTIALAuthority

Under 5 U.S.C. 5925 and Executive Order 10903, a United States citizen employee may be granted "a post differentialon the basis of conditions of environment which differ substantially from conditions of environment in the continental United States and warrant additional pay as a recruitment and retention incentive..." A post differential may not exceed 25 percent of the rate of basic pay.

Principal Features

1. The post differential is additional compensation, of up to 25 percent of basic pay, paid to employees assigned to posts where extraordinarily difficult or notably unhealthful conditions, or excessive physical hardships exist.
2. The post differential serves as an incentive in recruiting and retaining personnel for locations where unusual hardship conditions exist. It is provided only to employees whose foreign residence is attributable to their employment by the U.S. Government.
3. The post differential is authorized only at those posts where the degree of hardship is in excess of that which employees are expected to disregard as part of the self-sacrifice necessarily involved in overseas service.
4. More than half of the posts in foreign areas have no post differential. A large number of posts having considerable hardship conditions do not receive post differential.
5. The post differential is subject to Federal income tax.
6. Owing to the 25 percent statutory limitation, there is a wide range of hardship conditions existing at those posts where a 25 percent post differential is established.
7. A post differential rate may be reduced if a danger pay allowance is granted, to avoid dual crediting of violence factors.
8. The post differential is not paid to any diplomatic chief of mission whose salary (1983) is \$69,800. Other employees, including chiefs of mission at lower salaries, are limited in combined salary plus post differential payments to a ceiling which is \$100 less than the salary cited above.

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Determination of Rate

The Department of State continuously reviews a large body of facts relating to conditions prevailing at posts throughout the world. Each environmental condition has been defined in specific terms. For example, the factor of "extraordinarily difficult living conditions" includes consideration of inadequate housing accommodations, lack of cultural and recreational facilities, geographic isolation and inadequate transportation facilities, and lack of food and consumer services. The factor of "excessive physical hardship" involves consideration of the effects of climate and altitude and the presence of dangerous conditions affecting life, mental health, or physical well-being. The factor of "notably unhealthful conditions" involves consideration of the incidence of disease and epidemics, lack of public sanitation, and health-control measures and inadequacy of medical and hospital facilities.

In order to provide as objective a basis as possible for measuring the application of the above criteria to individual posts, a carefully developed point score system is used, with each element contributing to difficult or adverse conditions given a specific point value. The point system is then applied to the data collected on these conditions at the various posts in the service which are reported in the Post Differential Questionnaire (Form OF-267).

The posts determined by this method to involve significant hardships are designated as differential posts. The posts having extremely adverse conditions carry a maximum 25 percent differential. Posts having lesser degrees of hardship have differentials of 20 percent, 15 percent and 10 percent. Adverse conditions must affect the majority of personnel at the post before the hardship is given consideration in contributing to a differential. No one factor such as isolation or climate, by itself, qualifies a post for a differential. A substantial number of hardship conditions must be shown to exist even for a ten percent differential.

The point score system provides a simple method of determining a close decision, for example, a 15 percent differential post as compared to a 20 percent post. A post must measure up to a specific point value to warrant the differential rating applied.

Each post is reviewed in the light of current conditions at least biennially, and more often in unusual circumstances. Differential rates are raised or lowered, if adjustment is necessary, depending upon the outcome of the review.

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SPECIAL INCENTIVE DIFFERENTIAL

Authority

Under Section 2309 of the Foreign Service Act of 1980, 5 U.S.C. 5925(b) and Executive Orders 10903 and 12292, the Secretary of State is authorized to grant "an additional differential for an assignment to a post determined to have especially adverse conditions of environment which warrant additional pay as a recruitment and retention incentive for the filling of positions at that post. An additional differential... may be paid for each assignment to a post determined to have such conditions... may be paid periodically or in a lump sum... may not exceed 15 percent of the rate of basic pay of that employee for the period served under that assignment."

Principal Features

Regulations have not yet been issued to implement this differential.

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DANGER PAY ALLOWANCEAuthority

Under Section 2311 of the Foreign Service Act of 1980, 5 U.S.C. 5928, and Executive Order 12292, the Secretary is authorized to grant an employee serving in a foreign area "a danger pay allowance on the basis of civil insurrection, civil war, terrorism, or wartime conditions which threaten physical harm or imminent danger to the health or well-being of the employee. A danger pay allowance may not exceed 25 percent of the basic pay of the employee..." The sum of any danger pay allowance and any additional (special incentive) differential granted under 5 U.S.C. 5925(b) may not exceed 25 percent of basic pay.

Principal Features

1. Danger pay allowance is granted at foreign posts on the basis of civil insurrection, civil war, terrorism or wartime conditions which threaten physical harm or imminent danger to the health or well-being of the employee.

2. The criterion for granting danger pay generally is that non-essential employees or dependents, or both, have been evacuated or authorized departure from the post and have not been permitted to return to the post. It is not paid for any days away from the designated post or area.

3. Danger pay allowance is available to part-time and temporary duty employees as well as full time employees. It is not subject to any ceiling on payment of the prescribed rate (as is post differential) except that danger pay allowance and the special incentive differential (if any) together cannot exceed 25 percent of basic pay.

4. Danger pay allowance is subject to federal income tax along with any post differential or special incentive differential payments.

Determination of Rate

Facts concerning conditions of political violence, civil unrest, terrorism or warfare at a post are examined. If these conditions are such that an evacuation is ordered or departures are officially authorized; danger pay allowance may be established, usually at a maximum rate of 25 percent of basic pay unless some lesser rate is determined more appropriate. The rate is subject to continuous monitoring. Payment is generally terminated when employees or dependents are first permitted to return to post.

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REPRESENTATION ALLOWANCE

Authority

Under Section 905 of the Foreign Service Act of 1980, and Executive Order 10903, "the Secretary may provide for official receptions and may pay entertainment and representational expenses (including expenses of family members) to enable the Department and the Service to provide for the proper representation of the United States and its interests..."

Principal Features

1. Representation is a job-connected responsibility.
2. The use of representation is a recognized and useful tool within international diplomacy.
3. Representation allowances help to defray costs of official entertainment and incidentals, including authorized expenses of family members.
4. Representation allowances permit positions to be filled because of individual merit and not by reason of individual income.
5. To maximum extent practicable, use must be made of United States products, including American wines.
6. Funds available for representation purposes have not been adequate to reimburse employees for all their necessary representation expenditures.

Determination of Rates

Because of the variable factors involved, posts are not classified for representation allowances nor is a table of rates prescribed. There is an annual review and analysis of each post's requirements based on previous expenditures, the political-economic importance of the post, cost of living at the post, and the relative requirements of the several categories of personnel at diplomatic missions. Available funds are allocated on the basis of this analysis. A small reserve fund is usually held in the Department to meet unforeseen emergencies as they arise at certain posts.

Availability to Other Agencies

AID, USIA, Commerce and Agriculture are the other principal users of the allowance among the agencies having authority for representation allowances. A small number of other agencies have authority for the allowance, and in a few special cases, such as missions to international organizations, representation allowances are provided.

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OFFICIAL RESIDENCE EXPENSESAuthority

Under 5 U.S.C. 5913 and Executive Order 10903, the Secretary is authorized to allot funds "to posts in foreign countries for the purpose of defraying the unusual expenses incident to the operation and maintenance of official residences suitable for the chief representatives of the United States at such posts and such other senior officials of this Government in foreign countries as the (Secretary) may designate."

Principal Features

1. Payment of official residence expenses helps the principal officer at a post to defray unusual housekeeping expenses attributable to his/her position.

2. Deputy chiefs of mission at embassies also receive payment for official residence as do certain other designated "principal representatives."

3. Payment of official residence expenses partially reimburses for the extra housekeeping costs due to the principal representative's position which requires the maintenance of a household more extensive than necessary were the officer at a post in a lesser capacity.

Determination of Rates

The amount of reimbursement of official residence expenses is based upon the normal living pattern of principal representatives at the posts, the difference between normal housekeeping expenses and the costs the principal representative is required to bear, and the size and condition of the official residence at the post. A number of expenses incident to the official residence are paid from operating funds of the Department so that the official residence expense payment to the officer is only for unusual housekeeping expenses, primarily for the cost of additional servants necessary to operate an official residence. "Usual" housekeeping expenses to be borne by the officer personally is set at five percent of salary.

Availability to Other Agencies

Other agencies having civilian employees in foreign areas have general authority to pay this benefit. The authority is given by 5 U.S.C. 5913 and the Standardized Regulations (Government Civilians, Foreign Areas) issued by the Secretary of State under Executive Order 10903. In order for any senior official of any agency to receive reimbursement for official residence expenses, however, the Secretary of State must first have designated his/her position as one of sufficient importance that the Government should defray the unusual expenses incident to the operation of his/her official residence.

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COMPENSATORY TIME OFF

Authority

Under 5 U.S.C. 5926, the head of any agency may, on request of an employee serving in a foreign area, grant compensatory time off for regularly scheduled overtime work (1) at an isolated post performing functions required to be maintained on a substantially continuous basis, or (2) at a post in a locality that customarily observes irregular hours of work or where other special conditions are present.

Principal Features

1. Compensatory time off at the isolated post with continuous functions need not be taken in the same pay period as earned; but compensatory time off in the locality observing irregular work hours must be used in the same pay period as earned.
2. No compensatory time off may be carried over to a new post. It must be used at the post where earned or else forfeited.
3. Compensatory time off is implemented by individual agency regulations.

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HOME SERVICE TRANSFER ALLOWANCEAuthority

Under 5 U.S.C. 5924 (2) and Executive Order 10903 and Section 901(14) of the Foreign Service Act of 1980, the Secretary of State is authorized to grant to a United States citizen employee "a transfer allowance for extraordinary, necessary, and reasonable expenses, not otherwise compensated for, incurred by an employee incident to establishing himself/herself at... a post of assignment in the United States." (It is only available to an employee who agrees to complete 12 months of U.S. Government service after transfer to the U.S. or other non-foreign area.)

Principal Features

1. The Home Service Transfer Allowance consists of three parts: a miscellaneous expense portion, a wardrobe expense portion and a subsistence expense portion. The miscellaneous and wardrobe expense portions are identical to those described for the Foreign Transfer Allowance. The subsistence expense portion of the home service transfer allowance is intended to help offset costs of hotel lodging, meals, dry cleaning and laundry costs for a maximum of 30 days, in the period of 60 days before to 60 days after entrance on duty in the U.S. It reimburses an employee for actual expenses up to a predetermined maximum rate.

The maximum subsistence expense portion is based on the statutory U.S. per diem rate. The current maximum rates payable are:

- (a) First ten days - For initial occupant only, a daily rate not in excess of the statutory per diem; for all other occupants two-thirds of daily rate for initial occupant.
- (b) Second ten days - Two-thirds of the rate established for the first ten days for the initial and other occupants, respectively.
- (c) Third ten days - One-half the rate established for the first ten days for the initial and other occupants, respectively.

Appropriate reimbursement may be made on behalf of family members who arrive in advance of the employee.

Determination of Rates

The amounts provided in the subsistence expense portion are based on a similar benefit available to employees being relocated under Chapter 2 of the Federal Travel Regulations promulgated by the General Services Administration..

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TRAVEL PER DIEM ALLOWANCE
FOREIGN AREAS

Authority

Under Section 901 (1), (2) and (3) of the Foreign Service Act of 1980 and Executive Order 11294, the Secretary of State may pay the travel and related expenses of members of the Service and family members, and may establish government-wide maximum rates for travel in foreign countries.

The maximum Government-wide foreign travel per diem allowances, established under this authority, are published monthly as a supplement to the Standardized Regulations (Government Civilians, Foreign Areas).

Principal Features

1. Travel per diem is a payment made for each day in travel status in lieu of payment for actual subsistence expenses.
2. Travel per diem is intended to cover average costs of a single room with bath, meals, and such additional incidentals as laundry, dry cleaning, tips, and related travel expenses.
3. The established rates are maximum amounts. Under travel regulations implemented by the GSA and individual agency authorities, certifying officials are required to reduce the maximum rate when necessary to maintain a level of payment consistent with the necessary travel costs.

Determination of Rate

Rates of travel per diem in foreign countries are based primarily on costs reported in the Retail Price Schedule (Form DSP-23W) submitted by foreign posts. This report requests prices for hotel rooms and meals that represent those facilities most frequently used which are moderately priced and suitable for typical Federal travelers. When average costs of a suitable room plus meals (including taxes, service charges and tips) have been computed, the resulting cost is increased approximately ten percent to permit inclusion of expenditures for laundry, dry cleaning, etc. The total is then rounded to the nearest dollar and becomes the recommended travel per diem rate.

To avoid differences in the travel per diem allowances applicable to various U.S. Government civilian and military personnel on temporary duty assignments at the same location, an official Memorandum of Understanding was completed and signed by all pertinent civilian and military authorities in late 1982. This agreement establishes three separate rate setting authorities

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for foreign areas, the conterminous U.S. and for non-foreign areas outside the conterminous U.S. The authority to establish regular travel per diem allowances for civilian employees and military members in all foreign areas is vested in the Secretary of State. The Administrator of General Services is responsible for travel allowances for all civilian and military personnel within the conterminous U.S. and the Secretary of Defense is responsible for civilian and military travel per diem allowances in non-foreign areas outside the conterminous U.S.

Travel Regulation Authorities

The Department of State, AID, USIA, and the foreign affairs portions of Commerce and Agriculture are the principal agencies authorized to pay foreign travel per diem allowances in accordance with regulations of the Secretary of State. Such payment is authorized on behalf of employees and members of family. These Foreign Service Travel Regulations are published in Volume 6 of the Foreign Affairs Manual.

Non-foreign affairs agencies pay travel per diem in accordance with the Federal Travel Regulations established by the General Services Administration with whatever additional implementing regulations are deemed necessary by individual heads of agencies.

Travel regulations for members of the uniformed services are contained in Volume 1 of the Joint Travel Regulations promulgated by the the Secretary of Defense.

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EVACUATION PAYMENTSAuthority

Under 5 U.S.C. 5521-5527 and Sec. 2303 of the Foreign Service Act of 1980 and Executive Order 10982, the Secretary is authorized to continue for up to 180 days payment of salaries, post differential and allowances in the event of an emergency evacuation or authorized departure of employees or their dependents, or both, from duty stations for military or other reasons or because of imminent danger to their lives. Also authorized by the Act are such additional allowance payments as the [Secretary] determines necessary to offset the direct added expenses incident to the evacuation.

Principal Features

1. Salary, post differential and allowances may be paid in advance for 30 days.
2. Salary and certain allowances may continue to be paid for up to 180 days but agency regulations provide for terminating or reducing the post differential and most allowances after various periods of absence from the duty station and under other varying conditions.
3. Special allowances may be paid to offset the direct added expenses incident to the evacuation. These expenses normally are those incurred for travel, meals, lodging, children's education, and miscellaneous items.
4. A special allowance is never paid concurrently with the regular travel per diem allowance.
5. Upon termination of an evacuation, the employee's account is reviewed for necessary adjustment on the basis of monetary amounts actually paid as compared to amounts warranted to be paid.
6. In recent years the United States usually has been designated as the safehaven for evacuees rather than foreign area locations.

Determination of Rate

1. Evacuation payments consisting of salary, and post differential and allowances under certain circumstances, are paid at the same rates as were authorized to be paid prior to the evacuation.
2. Special allowances payments vary according to the nature of the allowance. Travel expense allowances are authorized to consist of (a) actual costs of transportation to the safehaven post; and (b) travel per diem at standard rates for the employee and dependents 11 years of age and older and one-half such rate for dependents under 11 years of age.

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3. While at the safehaven post a subsistence expense allowance for each evacuee is set at the full statutory per diem rate in the U.S. for full per diem rate in a foreign safehaven for 15 days with no itemized accounting or receipts. Thereafter, for up to an additional 165 days (the statutory limit) a standard daily rate is paid varying by family option for commercial rate (lodging receipts needed) or non-commercial rate (no receipts or accounting needed). For the commercial rate the first evacuee is reimbursed for lodging (receipts needed) up to 60 percent of statutory per diem per day and a non-accountable amount of 40 percent of per diem per day. Additional family members receive 20 percent of per diem rate per day on a non-accountable basis. For non-commercial rate the first evacuee is paid 50 percent of per diem rate per day and additional family members receive ten percent of per diem per day, all non-accountable. In certain cases there is a credit for unexpired lease costs on temporary quarters up to 60 percent of per diem rate up to 30 days, if occupants are authorized return to post. Lower rates for all the above subsistence may be paid upon determination that such lower rates would be consistent with employee's necessary living expense.

4. A special education allowance may be authorized on behalf of children evacuated as follows: (1) at the rate of the "school at post" education allowance indicated for the foreign safehaven post in the Standardized Regulations (Government Civilians, Foreign Areas); and (2) at the "school away from post" education allowance rate indicated in the Standardized Regulations for either the evacuated post or the safehaven post where children are sent away to boarding school. In the latter case the subsistence expense allowance ceases for those children. Generally, education allowances are not payable for children evacuated to the United States because public schools are readily available.